

PERE MARQUETTE CHARTER TOWNSHIP

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Dear Energy Committee Chair Nofs:

Michigan's energy future is at a critical turning point. The way our electricity is currently generated is going to fundamentally transform over the next decade. It is imperative that we pass responsible regulations to guarantee Michigan's access to reliable, affordable energy.

The looming electric capacity shortfall that Michigan faces is partially driven by the unwillingness of the alternative energy suppliers who operate in the deregulated portion of Michigan's market, to develop new generation in the state. Instead, they have consistently relied on the excess capacity in the market that is now quickly disappearing. Because of these past actions, capacity requirements that alternative suppliers must meet are absolutely vital.

It is important to remember though, that with alternative suppliers there are certain risks that exist. For example, earlier this year, alternative supplier Exelon threatened to close five of its eleven Illinois reactors because they claimed the plants were unprofitable. Closure of those plants would have left thousands of customers to deal with massive rate spikes and rising energy capacity shortfalls.

We must learn from the experiences of other states, such as Illinois, who deregulated their energy market and paid the price. Passing a Michigan-First Plan with responsible regulations will guarantee Michigan residents receive the dependable, affordable and clean power that is relied upon.

Thank you,

Paul A. Keson

Supervisor

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